

Message Text

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PAGE 01 OTTAWA 00700 120029Z

63

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 EB-11 TRSE-00 AEC-11 COME-00 ACDA-19 MC-02

ARA-16 SAJ-01 DRC-01 /161 W
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P 112322Z MAR 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 2914

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POUCHED ALL CONSULAR POSTS IN CANADA

E.O. 11652: N/A

TAGS: ESTC, CU, CA

SUBJECT: MLW LOCOMOTIVES FOR CUBA

1. MARCH 11 ISSUE OF MONTREAL BUSINESS WEEKLY, FINANCIAL TIMES, CARRIED EDITORIAL WHICH, WHILE HIGHLY CRITICAL OF U.S. "INFRINGEMENT ON CANADIAN SOVEREIGNTY", NEVERTHELESS ADDS ELEMENT OF BALANCE BY DEPLORING "SELF-RIGHTEOUS SPEECHES" AND POINTING TO COMPLEXITIES OF MULTINATIONAL WORLD.

2. TEXT OF EDITORIAL FOLLOWS.

BEGIN TEXT.

THE U.S. TRADING WITH THE ENEMY ACT HAS LONG BEEN THE MOST BLATANT--THOUGH NOT NECESSARILY THE MOST IMPORTANT--INTRUSION OF AMERICAN LAW INTO THE BUSINESS OF U.S. CONTROLLED COMPANIES ABROAD. REPEATED GOVERNMENT STUDIES HAVE RECOGNIZED IT AS AN "IRRITANT" WHICH THE U.S. GOVERNMENT SHOULD REMOVE.

ON EARLIER OCCASIONS, IN THE LATE 1950S, THE
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PAGE 02 OTTAWA 00700 120029Z

TROUBLE AROSE MAINLY OVER POTENTIAL CANADIAN EXPORTS

TO CHINA. IT CROPPED UP AGAIN IN 1965 WHEN CANADIAN FLOUR MILLERS CONTROLLED IN THE U.S. WERE PREVENTED FROM SHIPPING FLOUR TO CUBA. NOW, LIKE AN ANTIQUE LAW AGAINST WITCHCRAFT, IT BLOCKS THE SALE TO CUBA OF CANADIAN LOCOMOTIVES BY U.S.--CONTROLLED MLW-WORTHINGTON, AND OF ARGENTINE AUTOMOBILES BY U.S.- CONTROLLED MANUFACTURERS.

MORE THAN EVER, IT APPEARS ARCHAIC AND FOOLISH TO EXACERBATE NATIONALIST FEELINGS AGAINST U.S.--CONTROLLED SUBSIDIARIES BY FORBIDDING THEM TO SELL TO CUBA WHAT ANY AMERICAN WILL PROBABLY BE ABLE TO SELL AS SOON AS THE U.S. GETS AROUND TO REVERSING ITS ANTI-CASTRO POLICIES. BUT CANADA'S (AND ARGENTINA'S) SIMPLE DEMAND FOR AN EXEMPTION DOES NOT RESOLVE WASHINGTON'S DILEMMA.

IT IS NOT THE STRATEGIC EFFECT OF THE SALES WHICH BOTHERS WASHINGTON. IT IS THE IDEA OF LETTING SOME AMERICANS MAKE MONEY THROUGH A FOREIGN SUBSIDIARY WHICH NO AMERICANS ARE ALLOWED TO MAKE DIRECTLY. MORE CRUDELY, AS CONGRESSIONAL SPOKESMEN ADMIT, IT IS A QUESTION OF PROVIDING JOBS FOR CANADIANS OR ARGENTINIANS WHICH MIGHT GO TO AMERICANS IF THERE WERE NO EMBARGO ON CUBAN TRADE.

THE SO-CALLED INFRINGEMENT ON CANADIAN SOVEREIGNTY IS WORSE THAN IRRITATING. BUT IT HARDLY JUSTIFIES SELF-RIGHTEOUS SPEECHES ABOUT ETERNAL PRINCIPLES OF TRUTH AND JUSTICE. WHAT IT SHOULD DO IS TO DISCOURAGE EQUALLY SELF-RIGHTEOUS SPEECHES (OF WHICH WE HEAR TOO MANY) CLAIMING THAT "IT DOESN'T MATTER WHO OWNS OUR BUSINESSES; THEY MUST ALL OBEY CANADIAN LAWS."

THE MULTINATIONAL WORLD IS NOT THAT SIMPLE.

END TEXT.

3. MARCH 10 AND 11 TV AND RADIO NEWSCASTS ADDRESSED THE ISSUE IN TERMS OF PRESENT DOMESTIC SHORTAGE OF RAILROAD ROLLING STOCK AND LOCOMOTIVES NEEDED TO MOVE GRAIN TO PORTS
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PAGE 03 OTTAWA 00700 120029Z

IN FULFILLMENT OF EXPORT COMMITMENTS. NEWSCASTS QUOTED GRAIN INTERESTS AS SUGGESTING FEDERAL AUTHORITIES SHOULD BE AS CONCERNED WITH DOMESTIC NEEDS AS SALES TO CUBA. ISSUE OF TRANSPORTATION SHORTAGE FOR GRAIN MOVEMENTS HAS BEEN LIVELY ONE IN MEDIA SINCE FIRST OF YEAR AND HOUSE OF COMMONS QUESTION PERIOD SINCE NEW SESSION BEGAN FEBRUARY 27.
PORTER

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Draft Date: 11 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Drafter: n/a
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